

Report Summary

Social Security Administration Office of the Inspector General

November 2010



Objective

To determine whether the Social Security Administration (SSA) informed beneficiaries of all their domestic electronic banking services options.

Background

The use of direct deposit and other electronic banking services provides many benefits to users, including (1) better protection against identity theft and fraud, (2) easier access to funds during emergencies and natural disasters, and (3) more control over their money.

According to SSA, the Department of the Treasury (Treasury) supports the delivery of Federal benefit payments through three electronic transfer methods (listed in order of preference): (1) Direct Deposit Payments, (2) Direct Express® Debit Card, and (3) Electronic Transfer Account (ETA).

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-15-09-19075.pdf>

The Social Security Administration's Informing Beneficiaries of Domestic Electronic Banking Options ***(A-15-09-19075)***

Our Findings

We determined SSA was consistently informing beneficiaries of the direct deposit payment option. However, we found that SSA was not consistently informing beneficiaries of the Direct Express® debit card. Specifically, we found SSA's

- Direct Express® Publication did not make the debit card available to every applicant,
- field offices were inconsistently informing new applicants about the Direct Express® debit card, and
- On-line Retirement Application (iClaim) did not offer the Direct Express® debit card to any on-line applicant for retirement benefits.

In contrast, we found that if the beneficiary enrolled in the Direct Express® debit card, the majority of these cardholders were satisfied using the debit card. During our review, we also determined that SSA did not inform beneficiaries about ETAs.

Our Recommendations

We recommend that SSA:

1. Update SSA Publication Number 05-10073, *Get Your Payment Through the Direct Express Card®*, to allow all applicants and existing beneficiaries the option of selecting Direct Express.
2. Ensure recipients of Social Security benefit payments are informed of the three electronic banking options.
3. Update iClaim to include the option of applying for Direct Express® in the application.

SSA disagreed with Recommendation 1; SSA stated that the Agency worked with Treasury to develop Direct Express® for beneficiaries who do not have bank accounts.

Although the Agency disagreed with our first recommendation, we continue to believe that all individuals receiving benefit payments should be educated about all available banking options so they can make the best decision for their circumstances.